

BEFORE THE IDAHO BOARD OF TAX APPEALS

WILLIAM AND AUDREY BITZENBURG
CONSOLIDATED,

Appellants,

V.

TWIN FALLS COUNTY,

Respondent.

APPEAL NOS. 15-A-1233 and
15-A-1234

FINAL DECISION AND ORDER

AGRICULTURE PROPERTY APPEAL

These appeals are taken from two (2) decisions of the Twin Falls County Board of Equalization denying the protests of valuation for taxing purposes of properties described by Parcel Nos. RP11S16E130002A and RP11S16E131200A. These appeals concern the 2015 tax year.

These matters came on for hearing November 3, 2015 in Twin Falls, Idaho before Hearing Officer Travis VanLith. Attorney Steven Peterson appeared at hearing for Appellants. Jennifer Bergin represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the valuation of two (2) agricultural parcels.

The decisions of the Twin Falls County Board of Equalization are affirmed.

FINDINGS OF FACT

Appeal No. 15-A-1233 (Parcel No. RP11S16E130002A)

The total assessed land value is \$79,949, of which 104.92 acres is valued at \$70,569 as irrigated agricultural land, 45.251 acres is valued \$9,380 as other land, and 8.399 acres is valued as waste land with zero value. Appellants contend the value of the irrigated agricultural land should be \$43,753, with no changes to the other land values.

Appeal No. 15-A-1234 (Parcel No. RP11S16E131200A)

The assessed total assessed land value is \$120,245, of which 166.358 acres is valued as irrigated agricultural land at \$114,420, 32.127 acres is valued at \$5,825 as other land, and 1.515 acres is valued as waste land with zero value. Appellants contend the value of the irrigated agricultural land should be \$70,940, with no changes to the other land values.

The subject properties are located in rural Twin Falls County in an area known as the Salmon Tract. Many parcels in the area receive irrigation water from the Salmon Falls Reservoir according to their respective number of water shares, which vary widely. Not only do the number of water shares vary, but so too does the amount of water actually received from the irrigation district. Appellants estimated the subject parcels receive enough water to irrigate only roughly one-half ($\frac{1}{2}$) the total acres.

In looking at current values, Appellants noted many parcels in the area had received notable reductions for 2015, whereas subjects' values were not likewise reduced. On average, Appellants reported other parcels saw a value reduction of approximately 38% for 2015. In Appellants' view, subjects' values should also be reduced.

Respondent detailed the recent assessment history of the subject parcels, as well as values in the area. Appellants appealed subjects' 2014 values to this Board. Prior to hearing, the parties came to a settlement, which the Board accepted and ordered such values be implemented. The settled values represented a roughly 41% reduction from the original assessed values. Respondent carried the settled values forward to 2015.

As a result of the 2014 appeal, Respondent discovered a change was needed in the methodology used to value parcels in the Salmon Tract area. In prior years, the irrigation district

supplied Respondent with information concerning the water shares each parcel had, as well as the amount of water actually delivered for the particular year. Using this information, Respondent was able to determine how many acres of each parcel were farmed and set values accordingly. For 2015, the irrigation district declined to provide Respondent with the pertinent water information, which forced Respondent to implement a new model for valuing Salmon Tract parcels. Specifically, Respondent averaged the water information from the prior five (5) years for each parcel, and assessed the number of farmable acres as required by statute, and placed the remaining acres in a fallow category with an effective value of zero. For subjects, Respondent determined approximately 67% of the available acres were irrigated, which meant 33% of the acres were considered fallow. Respondent pointed out had subjects' values been re-calculated for 2015 instead of carrying forward the settlement values, there would have been an increase in the assessed values.

Appellants contended the 2014 settled values should represent the starting point for any future reductions. In other words, Appellants argued subjects' should have received a 38% reduction on top of the reduced 2014 values. Respondent countered the reductions realized by other parcels was not an overall trend applied to the area. Rather, the 2015 values were the result of a new valuation model being implemented, which was applied to all parcels in the area. Respondent argued granting the reduction petitioned by Appellants would result in inequitable and unfair assessment treatment compared to other parcels in the area.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving

full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Though not directly stated by Appellants, the central issue in this case is whether subjects were inequitably assessed compared to other parcels in the area in violation of Article VII section 5 of the Idaho Constitution. We find no such violation.

Appellants' primary argument is the value of subjects' irrigated agricultural land should be reduced by roughly 38%, which figure represents the average decrease of several nearby parcels. While we understand Appellants' position, we come to a different conclusion. As explained by Respondent, a new valuation model needed to be developed for the Salmon Tract area because the irrigation district refused to provide water share and water delivery information for the area. The new model relies on the water information for each parcel from the prior five (5) years; the most recent data period available. Specifically, the model measures how many of a parcel's available acres are irrigated and assesses such acres according to the formula provided in Idaho Code § 63-602K. The remaining dry acres are placed in a fallow category and valued at zero.

The new valuation model was developed following Appellants' 2014 appeal of subjects' values. It was applied to subjects in 2014, and for 2015, Respondent used the new model to value the entire Salmon Tract area. Subjects were not valued differently for 2015, rather surrounding parcels were valued consistently with subjects. To grant Appellants' request for a 38% reduction for 2015 would effectively give a nearly 80% discount to subjects' values, which would be improper given the fact more than one-half ($\frac{1}{2}$) of subjects' acres are irrigated.

Idaho Code § 63-511, requires Appellants to prove error in subjects' assessed values by

a preponderance of the evidence. Based on the evidence presented, the burden of proof was not met in this instance. Subjects were valued consistently with other parcels in the area, which was proper. In all, the Board did not find support for the requested reduction. Accordingly, the decisions of the Twin Falls County Board of Equalization are affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Twin Falls County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

DATED this 23rd day of February, 2015.